

LEC-CMRS INTER-CARRIER COMPENSATION



Rating and Routing

Rating

- CMRS carriers rate numbers in rate centers where they have radio facilities serving customers with wireless service. FCC rules permit wireless carriers to obtain numbers in any rate center where they have a license and “facilities readiness.” 47 C.F.R. § 52.15(g)(2).
- CMRS carriers do not obtain numbers in areas where they do not have wireless facilities. Thus, CMRS numbers are not virtual codes (“VNXX”).

Rating and Routing

Routing

- CMRS carriers do not duplicate the wireline network. CMRS carriers do not have MSCs in every LEC local calling area where they have facilities and obtain numbers.
- CMRS carriers most often connect to the PSTN through Type 2A connections at a LATA tandem. Indirect connection is highly efficient and has been in use for decades.

Rating and Routing

- In order for wireless carriers to penetrate rural markets, land-to-mobile local calling is essential.
 - Customers do not want to incur toll charges on calls to friends and family within service area.
- Rural LECs seek to avoid transport of their own customers' traffic to CMRS carriers' switches in the MTA.
 - Rural LECs raised argument in Intermodal LNP appeal, to which FCC responded: "Rural LECs thus always have been required to deliver traffic to other carriers through direct or indirect interconnection – even when a wireless carrier's switch is not located in the rural LEC's rate center." (FCC brief).

Rating and Routing

- FCC has consistently found:
 - “A LEC may not assess charges on any other telecommunications carrier for telecommunications traffic that originates on the LEC’s network.” 47 C.F.R. § 51.703(b); *Mountain Communications v. FCC*, 355 F.3d 644 (D.C. Cir. 2004).
 - “Section 51.703(b), when read in conjunction with Section 51.701(b)(2), requires LECs to deliver, without charge, traffic to [wireless] providers anywhere within the MTA in which the call originated.” *TSR Wireless v. US West*, 15 FCC Rcd 11166, 11184 ¶ 31 (2000).

Rating and Routing

- The Commission should:
 - Grant the Sprint petition and make clear that LECs must load codes with the rating and routing points that CMRS carriers designate; and
 - Require LECs to deliver traffic to the designated routing point, without charge and without requiring direct connection, as long as the routing point is within the same MTA.

CMRS Termination Tariffs

Rural LECs have filed “wireless termination tariffs” that purport to establish a rate for CMRS traffic terminating on rural LEC networks.

Rates are generally at or near LEC access rates (usually in the \$0.03 to \$0.07 range).

In most cases, the traffic originates and terminates in the same MTA and therefore should be subject to reciprocal compensation. 47 C.F.R. § 51.703(b)(2).

CMRS Termination Tariffs

- Rural LECs are unlawfully avoiding reciprocal compensation obligations, undercutting one of the Telecom Act's key goals.
- CMRS carriers are paying access rates and in most cases not receiving any reciprocal compensation for intraMTA traffic.
- Rural LEC claims that CMRS carriers are unwilling to negotiate are unfounded. Tariffs have eliminated the rural LECs' incentive to negotiate.

CMRS Termination Tariffs

- Courts have consistently held that Section 251/252 negotiation and arbitration process is the sole mechanism for establishing local interconnection relationships:
 - *Wisconsin Bell v. Bie*, 340 F.3d 441, 444-45 (7th Cir. 2003) (tariff “*has* to interfere with procedures established in federal act” because challenge of state tariff proceeds to state court).
 - *See also GTE North v. Strand*, 209 F.3d 909 (6th Cir. 2000), *aff’d on remand*, *Verizon North v. Strand*, 309 F.3d 935 (6th Cir. 2002); *Indiana Bell v. Indiana Util. Reg. Comm’n*, 359 F.3d 493 (7th Cir. 2004).

CMRS Termination Tariffs

The Commission should:

- Grant the T-Mobile petition and declare that CMRS termination tariffs are unlawful; and
- Clarify that Section 20.11 requires wireless carriers to negotiate reciprocal compensation arrangements with any requesting LEC.

